

USAID also may terminate this Agreement in part by giving the GOE 30 days' written notice, and suspend this Agreement in whole or in part upon giving the GOE written notice. In addition, USAID may terminate this Agreement in whole or in part, upon giving the GOE written notice, if (i) the GOE fails to comply with any provision of this Agreement, (ii) an event occurs that USAID determines makes it improbable that the objectives of the Program or the assistance program will be attained or that the GOE will be able to perform its obligations under this Agreement, or (iii) any disbursement by USAID would be in violation of the legislation governing USAID.

(b) Except for payments which the Parties are committed to make pursuant to noncancellable commitments entered into with third parties prior to such suspension or termination, suspension or termination of this entire Agreement or part thereof will suspend (for the period of the suspension) or terminate, as applicable, any obligation of the parties to provide financial or other resources to the Program, or to the suspended or terminated portion of the Program, as applicable. Any portion of this Agreement which is not suspended or terminated shall remain in full force and effect.

Section 9.6. Language of Agreement. This Agreement is prepared in both English and Arabic. In the event of ambiguity or conflict between the two versions, the English language version will prevail.

Section 9.7. Ratification. The GOE will take all necessary action to complete all legal procedures necessary to ratification of this Agreement, and will notify USAID as promptly as possible of the fact of such ratification.

Section 9.8. Effective Date. This Agreement shall enter into force when signed by both Parties hereto.

IN WITNESS WHEREOF, the Arab Republic of Egypt and the United States of America, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

ARAB REPUBLIC OF EGYPT

BY : *Zafer El Bishry*

NAME : Mr. Zafer Selim El Bishry

TITLE: Minister of State
for Planning and
International Cooperation

UNITED STATES OF AMERICA

BY : *Daniel Kurtzer*

NAME : Daniel C. Kurtzer

TITLE: American Ambassador

ARAB REPUBLIC OF EGYPT

BY : *Dr. Hassan Selim*

NAME : Dr. Hassan Selim

TITLE: Administrator of the
Department for Economic
Cooperation with U.S.A.

UNITED STATES OF AMERICA

BY : *Toni Christiansen-Wagner*

NAME : Toni Christiansen-Wagner

TITLE: Acting Director,
USAID/Egypt

Implementing Organizations

In acknowledgement of the foregoing Agreement, the following representatives of the implementing organization have subscribed their names:

BY : Nadia Makram Ebeid

NAME : Dr. Nadia Makram Ebeid

TITLE: Minister of State for
Environmental Affairs and
Chairman of the Board of
Directors of the EEAA

BY : 


NAME : Dr. Ibrahim Abdel Gelil

TITLE: Chief Executive Officer
Egyptian Environmental
Affairs Agency

Implementing Organizations

In acknowledgement of the foregoing Agreement, the following representatives of the implementing organizations have subscribed their names:


Ministry of Petroleum

BY : 

NAME : Dr. Hamdy Ali Al Banbi

TITLE: Minister of Petroleum

Organization for Energy Planning

BY : 

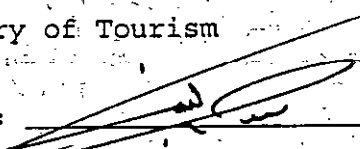
NAME : Dr. Hany Abdel Razek El Nakeeb

TITLE: Chairman

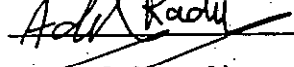
Implementing Organizations

In acknowledgement of the foregoing Agreement, the following representatives of the implementing organizations have subscribed their names:

Ministry of Tourism

BY : 
NAME : Dr. Mamdouh El Beltaoui
TITLE : Minister of Tourism

Tourism Development Authority

BY : 
NAME : Dr. Adel Radi
TITLE : Chief Executive Officer

AMPLIFIED DESCRIPTION
EGYPTIAN ENVIRONMENTAL POLICY PROGRAM

I. Introduction

This annex describes the activities to be undertaken and the results to be achieved with the funds obligated under this Agreement (the "Program Assistance Agreement"). Nothing in this Annex 1 shall be construed as amending any of the definitions or the terms of the Agreement.

II. Background

The program supports the efforts being taken by the Government of Egypt (GOE) to safeguard Egypt's natural environment. Specifically, USAID will assist the GOE with the formulation and implementation of its environmental policy priorities.

The Egyptian Environmental Policy Program is a four-year program to support GOE policy, institutional, and regulatory initiatives to reduce air pollution and improve management of natural resources for environmental sustainability. Specific policy areas to be addressed are: cleaner and more efficient energy use; reduced industrial pollution; improved solid waste management; and natural resource management in the Red Sea region. Removing cross-cutting economic, financial, and institutional constraints to improved environmental management will also be an objective.

III. Funding

The financial plan for this agreement is set forth in Attachment 1.

IV. Results and Indicators

The first major result of EEPP is the reduced generation of air pollution. Indicators for this result and end of program (year 2002) targets are as follows:

Emissions averted of the following air pollutants:	Baseline (metric tons)	Target (metric tons)
- PM10 (particulate matter)	256,000	776,000
- Carbon monoxide	54,030	113,528
- Sulfur oxide	21,499	264,374
- Nitrogen oxide	8,879	264,270

The second result of EEPP is improved management of natural resources for environmental sustainability. Indicators for this result and end of program (year 2002) targets are as follows:

	Baseline	Target
- Mooring buoy sites in the Red Sea Protectorates where Coral Reef Index stabilizes or improves	5%	90%
- New tourism development sites in Red Sea Governorate where environmental safeguards are undertaken to eliminate coastal alterations threatening fringing reefs and mangroves	5%	80%
- Operation and maintenance costs of Egypt's Marine protectorates funded from revenues collected by those protectorates	5%	100%

V. Activities

Cash disbursements will be provided based upon GOE performance toward established policy measures. The policy measures for each disbursement will be detailed in a separate agreement of the parties.

VI. Roles and Responsibilities

Principal Government of Egypt partners for the program are the Egyptian Environmental Affairs Agency (EEAA), the Ministry of Petroleum's Organization for Energy Planning (OEP), and the Ministry of Tourism's Tourism Development Authority (TDA). An executive committee chaired by EEAA and comprising voting representatives from EEAA, OEP, TDA, Ministry of International Cooperation (MIC) and non-voting representation of USAID, will be responsible for the overall management of this program. These entities will be responsible for completion of policy measures agreed upon for inclusion in the program. Other potential GOE partners include governorates, the protocol signatory public sector entities collaborating under the National Energy Efficiency Strategy, and other line ministries. The Ministry of International Cooperation has a critical role to play for the program. MIC will coordinate with the Central Bank which will manage the U.S. Dollar Separate Account and with the Ministry of Finance, which will manage the Local Currency Special Account.

USAID will monitor the overall implementation of the program on behalf of the U.S. government.

VII. Monitoring and Evaluation

Disbursements of the Grant will be based upon satisfactory performance by the GOE in accomplishing the agreed-to measures as determined by USAID in one or more reviews for each disbursement. Evaluations will be conducted during the program as appropriate. Assistance for monitoring, verification and evaluation will be contracted to assist USAID in these functions.

Table 1
Egyptian Environmental Policy Program
Illustrative Financial Plan (\$000)
Program Assistance
U.S. Contribution

Component/Activity/ Budget Inputs	FY 1999 Obligation	Anticipated Future Year Obligations	Total Anticipated FY 1999 - FY 2002 Obligations
Program Assistance/ Cash Transfer	45,000	65,000	110,000
Total	45,000	65,000	110,000